

SMS DIRECT
7450 Mason King Court
Manassas, Virginia 20109

January 26, 2005

To: Federal Election Commission
Washington, D.C.

Re: *Federal Election Commission letter of January 11, 2005, received
January 12; MUR 5635*

DECLARATION OF SMS DIRECT

SMS Direct, through its President, Andrew E. Kuniholm, submits the following declaration in response to the allegation that SMS may have violated a provision of the Federal Election Campaign Act of 1971 by making an impermissible contribution to CLPAC (Finding No. 3). SMS Direct unequivocally denies ever having made a contribution to CLPAC or, in fact, ever having any contact with CLPAC.

SMS has been in business in the Washington, D.C metropolitan area for 20 years. Its business is now, and always has been, direct mailing. In the typical case, SMS (as do others engaged in direct mailings) deals with an agent. In this case, the agent was American Target Advertising ("ATA") and ATA's client was CLPAC.

SMS's only contract was with ATA. We were a vendor only, providing direct mail services. We did not invoice for any services we did not perform. To my knowledge, I have never spoken with anyone associated with CLPAC. I do not know what CLPAC does (or did). I have no idea what CLPAC's objectives are.

SMS treated this case just as it does any other. It performed mailing services and billed ATA. In many cases involving other agents, SMS has compromised invoices in order to get paid, a not uncommon and very practical business practice. ATA has always been slow pay. SMS may have compromised an ATA invoice that involved CLPAC. If so, this was a business judgment and in no way a "contribution" to CLPAC.

I cannot comment specifically on documents that apparently are causing some concern to FEC. However, I will be happy to sit down with a representative of FEC, go over all those documents, and answer any questions. To this end, I would request a pre-probably cause conciliation if that is the vehicle through which these matters may be discussed.

With this Declaration, I am submitting a Statement of Designation of Counsel designating Frank E. Brown, Jr., Saunders & Brown, PLC, 8680 Greensboro Drive, Suite 601, McLean, VA 22102 [(703) 506-1022] to represent SMS in this matter. I would ask that you contact Mr. Brown and tell him how you wish to proceed. I emphasize that SMS

has done absolutely nothing wrong, and I am anxious to respond to concerns that the FEC may have.

SMS DIRECT, INC.

By: 

Andrew E. Kuniholm
President

I, Andrew E. Kuniholm, hereby declare under penalty of perjury, that:

1. I am president of SMS Direct, Inc. and authorized to execute this Declaration on behalf of the corporation.

2. I have personal knowledge of the matters contained in this Declaration and they are true and correct to the best of my knowledge and belief.

Executed this 27th day of January, 2005.


Andrew E. Kuniholm

25044124890